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LA Public Service Commission

BEFORE THE

LOUISIANA PUBLIC SERVICE COMMISSION

SOUTH LOUISIANA ELECTRIC COOPERATIVE
ASSOCIATION

DOCKET NO. S - _____

In re: Petition for Approval of Proposed Abandonment

PETITION FOR APPROVAL OF PROPOSED ABANDONMENT

NOW BEFORE the Louisiana Public Service Commission (hereinafter referred to
“Commission” or “LPSC”), through undersigned counsel, comes South Louisiana Electric
Cooperative Association (“SLECA,” “Cooperative,” or “Applicant”), who respectfully files this
Petition for Approval of the Proposed Abandonment of certain of electric facilities located in
Terrebonne and Lafourche Parishes pursuant to the Commission’s General Order R-30301, dated
July 9, 2008 (the “General Order”), and in support thereof would respectfully show the following:

1.

THE COOPERATIVE

SLECA is a Louisiana electric cooperative organized under La. R.S. 12:401 *et seq.* and is
domiciled in Terrebonne Parish, and provides electric service in the parishes of Assumption,
Lafourche, St. Martin, St. Mary, and Terrebonne. It owns and maintains approximately 1,500
miles of distribution lines connecting 9 substations, while serving approximately 21,000 members.
A nine-member Board of Directors (the “Board”) governs SLECA. The Board is elected by
SLECA’s members, which are the owners of the system *and* its ratepayers. As a Cooperative,
SLECA has no shareholders.

ROUTE TO	ROUTE FROM
DEPT. <u>Bull</u> DATE <u>9/25</u>	DEPT. _____
DEPT. _____ DATE _____	DEPT. _____
DEPT. _____ DATE _____	DEPT. _____
DEPT. ¹ _____ DATE _____	DEPT. _____

2.

The rates and services charged by Applicant to its members and the services rendered to such customers are regulated by the Louisiana Public Service Commission.

THE 2021 HURRICANE SEASON

3.

The 2021 hurricane season was an extremely active hurricane season (hereinafter referred to as the “**2021 hurricane season**”), including Hurricane Ida, which directly and severely impacted the area served by SLECA. These impacts created catastrophic damages, including the devastation of SLECA’s service territory, which required extensive repairs to and/or complete replacement of electric lines, poles, facilities, and other SLECA infrastructure. The eye of the storm hit less than five miles east of SLECA’s Ashland and Dulac substations, where the winds were clocked at 138 mph, with gusts of 155 mph. Approximately 4,000 poles were damaged or downed, with close to 1,000 transformers damaged, and hundreds of miles of electric lines downed. Additionally, the roof of SLECA’s main headquarters building in Houma blew off and sections caved in while employees, including the General Manager, Operations Superintendent and several linemen, rode out the storm. For five hours on Sunday, August 29, 2021, hurricane winds and rain poured into the building, forcing it to be condemned. SLECA’s offices are now made up of various temporary buildings while it continues to work with FEMA on the construction of a new office building. SLECA also continues to work with FEMA for reimbursement for storm recovery costs. The repairs required of SLECA’s system are ongoing, and sections of SLECA’s pre-2021 hurricane season infrastructure have not been rebuilt. One such section, the focus of the instant filing, are the distribution facilities that once served camps located in Lake De Cade, Lake Fields, Island at

the end of Four Point Road and Grand Pass (hereinafter referred to as the “**Lake Line**”), all of which are in Terrebonne and Lafourche Parishes. This Lake Line was destroyed by the 2021 hurricane season, and have since been removed. As detailed herein, it is in the best interests of SLECA and its members not to reconstruct the Lake Line, thereby abandoning service under the General Order.

LAKE LINE DETAILS

4.

The Lake Line serves camp property only and is comprised of approximately 44.5 linear miles of distribution throughout remote marshes, bayous, and lakes. As stated above, no electric service has been supplied to the approximate affected 282 camp meters since the 2021 hurricane season. The location of the Lake Line, along with the exposure in some areas, and the type of infrastructure needed to provide safe and reliable power raises safety concerns, access issues in the event of an emergency, and is cost prohibitive to the Cooperative and its members. It is in the best interest of the Cooperative for this infrastructure to be abandoned.

COMPLIANCE WITH GENERAL ORDER

5.

SLECA has been in communication with members regarding this issue since the 2021 hurricane season through various mailings, which are attached hereto *in globo* as **Exhibit 1**. In addition, on or around August 21, 2024, the Cooperative mailed notice to each of the individual camp owners whose service will not be restored because of the proposed abandonment to their billing address on file with the Cooperative (the “**Customer Notices**”). In accordance with Paragraph B.1 of the General Order, copies of the Customer Notices are attached as **Exhibit 2**.

6.

In accordance with Paragraph B.2 of the General Order, SLECA provides the following information:

B.2(a)

The area in which the electrical distribution facilities are proposed to be abandoned, and electrical service discontinued are made up of remote recreational camps which are only accessible by boat. Many of these properties are owned by the state or other major land corporations which lease the property to the camp owner/members.

When the distribution lines servicing these remote locations were originally constructed in the late 1960's, the topography of the area was much different than what exists today. Due to continuing coastal erosion, and subsidence, the land mass and vegetation has changed. In the 1960's there was much more "solid ground" and trees which aided in preserving the infrastructure during extreme weather events. Today, the coastline and infrastructure along the coast is much more vulnerable to tidal surge and wind damage. In many instances, SLECA has suffered extensive damage for tropical systems that are not named events, or federal disaster declarations.

The specific areas proposed to be abandoned include:

Lake De Cade

Specifically, a distribution segment from the Falgout Canal Substation, commencing at Latitude 29.413636, Longitude -90.785139 thence running Southwest along the southern border of Lake De Cade to a point of intersection with lines traversing North through Bay Long, Southwest along Bayou de Cade and Southeast along the Southern end of Raccourci Bay, ending near Lake Penchant. The total length of the segment to be abandoned is approximately 30.8 miles.

Grand Pass

Specifically, the distribution segment traversing from the Falgout Canal Substation, commencing at Latitude 29.327909, Longitude -90.853091 thence running Southwest along the Southern Border of Mud Lake to a point of ending at the pass between Lake Mechant and Calliou Lake; specifically Latitude 29.266896, Longitude -90.934822. The total length of this segment to be abandoned is approximately 8.77 miles.

Lake Fields

Specifically, the distribution segment traversing from the Landry Substation, commencing at Latitude 29.680870, Longitude -90.58881 thence running South – Southeast along the eastern border of Lake Fields to a point of ending at Bayou Lafourche; specifically Latitude 29.637454, Longitude -90.559586. The total length of the distribution segment to be abandoned is approximately 4.74 miles.

Four Point

Specifically, the distribution segment traversing from the Dulac Substation, commencing at Latitude 29.308209, Longitude -90.715075 thence running South across a navigable body of water to a point of ending on Four Point Island, adjacent to the Houma Navigation Canal: specifically, Latitude 29.30550, Longitude -90.715564. The total length of the segment to be abandoned is approximately 0.19 miles.

Please see **Exhibit 3**, which is an overview map of these facilities discussed herein.

B.2(b)

Currently, there are no active service lines and/or meters serving the affected camps as the Lake Line has been removed and not replaced since its destruction from the 2021 hurricane season.

B.2(c)

The date of abandonment is immediate – the previous infrastructure was removed after its destruction from the 2021 hurricane season. Additionally, as no power has been provided to the camps since the 2021 hurricane season, the process of abandonment is now limited only to this filing with the Commission seeking approval of same.

7.

B.3

In accordance with Paragraph B.3 of the General Order, SLECA attaches to this Application affidavits from the official journals for Terrebonne and Lafourche Parishes, Louisiana and the official state journal (The Advocate) as **Exhibit 4**, such affidavits proving publication of notice in each of those journals.

8.

B.4

In response to Paragraph B.4 of the General Order, should the Company be required to rebuild the Lake Line, the following economics apply:

As stated above, there were approximately 282 meters served by the Lake Line. Over the past seven years, the average monthly bill of a Lake Line meter was \$46.18. More specifically, the Cooperative has two different rates for camp lines - (1) Rate 50, which is designated for camp/remote service and has a minimum charge of \$25.00 per month, Rate 50 is utilized by approximately 260 meters, and over the past 7 years, the average bill is approximately \$46.00 per month; (2) Rate 60, which is designated for small power service (remote area) and has a minimum charge of \$30.00 per month, Rate 60 is utilized by

approximately 20 meters, mainly LLC and companies, and over the past 7 years, the average bill is approximately \$100.00 per month. This equates to annual remittance to the Cooperative of \$552.00/meter per year for the rate 50 members and \$1,200/meter per year for the rate 60 members. As of today, the total estimated expected cost to replace the Lake Line is \$105,194,712.00. SLECA has diligently worked with FEMA regarding reimbursement related to the Lake Line rebuild. The Lake Line rebuild will be designated as an at-cost project; therefore, the approximate \$105 million cost could increase. SLECA is responsible for 10% of the total cost of the reconstruction, regardless of what that total cost is ultimately. **At a minimum, using the \$105,194,712.00 estimated rebuild cost, SLECA's entire membership (not just those members that receive service off the Lake Line) will be responsible for the payment of approximately \$10,500,000.00.** Environmental permitting, environmental mitigation, and/or additional associated procurement of Rights-of-Ways is estimated to cost an additional \$5,000,000.00, plus interest associated with the revolving line of credit required to pay for all services in the interim period between costs incurred and reimbursement of FEMA eligible funding. SLECA's responsible cost share of 10% will also incur interest fees and costs throughout the duration of any associated construction project. Consequently, the estimated minimum expense for which SLECA will be responsible is approximately \$15.5 million, plus the applicable interest costs incurred, which equates to approximately a minimum cost of \$54,964.00/meter. This figure does not include operation and maintenance expenses, which are wildly expensive for this area. The labor costs (contractors) alone for the replacement of lines and poles after thunderstorms cost the Cooperative approximately \$311,000.00 in

2019 and \$142,00.00 in 2020. Please note that given the remoteness of the area, special equipment is necessary to make any repairs.

9.

B.5

In accordance with Paragraph B.5 of the General Order, SLECA advises that the Lake Line was likely built by SLECA in the 1960s.¹ Since then, portions of the line have been destroyed and rebuilt multiple times. The Lake Line has been used to serve camps in Terrebonne and Lafourche Parishes. As stated earlier, after the Lake Line's destruction from the 2021 hurricane season, the vast majority of the Lake Line infrastructure was removed, with all remaining infrastructure removal to be completed on or about September 21, 2024. Accordingly, very little infrastructure currently exists, and none will exist in the immediate future, therefore there is no future use for the facilities that SLECA seeks to abandon.

10.

B.6

In accordance with Paragraph B.6 of the General Order, SLECA advises that no other utilities will be affected by the proposed abandonment.

11.

B.7

In response to Paragraph B.7 of the General Order, SLECA asserts that there is no current line to be maintained or preserved. The Lake Line was destroyed by the 2021 hurricane season and all infrastructure has been removed. During the last five years, due to corrosion, harsh

¹ Right of Way documents show that agreements with the landowners were executed with SLECA in the late 1960s.

environmental surroundings, storms, and strong winds, there have been more weekly repairs needed on the Lake Line and its infrastructure. And, as stated throughout this filing, the Lake Line infrastructure was destroyed by virtue of the 2021 hurricane season.

12.

B.8

In response to Paragraph B.8 of the General Order, SLECA anticipates that the affected members so desiring can and are utilizing a generator as an alternative to electric service. Affected members have not received any electric service from SLECA since the 2021 hurricane season. Upon information and belief, some affected members have purchased generators (the cost is unknown to the Cooperative; however, the estimated cost for a generator to serve the average size affected camp is approximately \$1,000.

13.

B.9

In response to Paragraph B.9 of the General Order, SLECA has determined that there will be no environmental impact as a result of the proposed abandonment. All environmental impacts have been mitigated by virtue of clearing the line after its complete destruction.

14.

B.10

In response to Paragraph B.10 of the General Order, SLECA has never filed a request to abandon facilities.

15.

B.11

In accordance with Paragraph B.11 of the General Order, an affidavit of Matt Peters, General Manager is attached hereto as Exhibit 5.

16.

In support of this Application, SLECA provides the following list of exhibits, which are hereby incorporated into the Application:

- Exhibit 1:** Communications/mailings to camp property owners served by the Lake Line, *in globo*;
- Exhibit 2:** Copies of correspondence to camp property owners providing notice that their electrical service will not be restored because of the proposed abandonment, *in globo*;
- Exhibit 3:** Overview maps of the Lake Lines, *in globo*;
- Exhibit 4:** Affidavits from the Official Parish Journals for Terrebonne and Lafourche Parishes and for the State of Louisiana proving publication of notice in each of those journals; and
- Exhibit 5:** Affidavit of Matt Peters, SLECA General Manager.

17.

SERVICE OF NOTICES AND PLEADINGS

SLECA requests that notices, correspondence, and other communications concerning this matter be directed to the following persons:

Kara B. Kantrow
Kyle C. Marionneaux
John N. Grinton
Marionneaux Kantrow, LLC
10202 Jefferson Highway, Building C
Baton Rouge, Louisiana 70809
Telephone: (225) 769-7473
Facsimile: (225) 757-1709
Email: kara@mklawla.com
kyle@mklawla.com
john@mklawla.com

Applicant requests that the foregoing individuals be placed on the Official Service List for this proceeding and respectfully requests that the Commission permit the designation of more than one person to be placed on the Official Service List.

18.

SLECA respectfully requests that Notice of this filing be published in the Commission's Official Bulletin, No. 1333, and interested parties be given **fifteen (15) days** to file any notice of intervention and/or protest.

19.

CONCLUSION

SLECA hereby respectfully requests that, based upon its compliance with the provisions of General Order R-30301, along with the facts presented herein, particularly those concerning cost, expense, infrastructure integrity and safety, that the Louisiana Public Service Commission

deem the requested abandonment to be in the public interest and grant the relief as requested herein. Further, SLECA requests a that this notice be published in the Commission's official bulletin (No. 1333) and that interested parties be given **15 days** to file any notice of intervention and/or protest.

Respectfully Submitted,

MARIONNEAUX KANTROW, LLC



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